6 May 1976

MEMORANDUM FOR: Director of Central Intelligence

FROM Edward W. Proctor

Deputy Director for Intelligence

SUBJECT : Soviet Defense Spending

1. Attached is a collection of background items on Soviet defense spending. The package is large, but several of the more bulky items are not meant to be read but only thumbed through for a general impression.

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- 2. The first item (Tab A) was prepared last fall use when he was confronted with a number of questions regarding our work. It contains a summary statement with a number of supporting documents. I suggest that you read only the summary memorandum.
- 3. Each of the remaining items relate to specific topics of interest.

--Tab B -- June 1975, DCI Briefing of Senator Proxmire's Subcommittee of the JEC. Appropriate pages of the testimony are clipped as well as comments by General Graham--a not very well informed critic. Comments by Andrew Marshall, DoD Director of Net Assessment, are also clipped. Marshall is a much better informed consumer of our work, and, of course, approaches the subject with a DoD perspective.

-- Tab C -- Newspaper articles published following the release of the JEC report, and our comments on the articles.

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Tab D -- Memorandum informing Secretary of Defense of forthcoming PDB article on DS-3081, and an unclassified statement for response to media questions.

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Tab E -- article reporting 1975 dollar estimates, unclassified statement for response to questions and DCI and SecDef communication with Senator McClellan on these estimates.

Tab F -- Series of articles by (February 1976), and our comments on military-economic discussions in articles.

Tab G -- Dollar Comparison of Soviet and US Defense Activities, 1965-1975 (prepared at request of House Armed Services Committee), articles commenting on report.

Tab H -- Draft of Estimated Soviet Defense
Spending in Rubles, 1970-75 has not been
fully reviewed as yet and you should not quote
from it at this time. Paper should be finalized
next week and will be released to the Congress
and the Defense Department according to an agreed
schedule.

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Attachments:
As Stated

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